



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
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SECRETARY

October 28, 1994

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FCC MAIL ROOM

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street N.W.  
Washington, D.C. 20554

Re: CC Docket No. 93-22, Further Notice of  
Proposed Rulemaking, In the Matter of  
Policies and Rules Implementing the Telephone  
Disclosure and Dispute Resolution Act

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Dear Mr. Caton:

Enclosed please find for filing in the above captioned proceeding,  
an original and nine copies of the reply comments of the Alabama  
Public Service Commission.

Respectfully,

*Mary E. Newmeyer*  
Mary E. Newmeyer  
Federal Affairs Adviser

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03/31/94

Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
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Policies and Rules Implementing the ) CC Docket No. 93-22  
Telephone Disclosure and Dispute )  
Resolution Act )

REPLY COMMENTS OF THE  
ALABAMA PUBLIC SERVICE COMMISSION

The Alabama Public Service Commission (APSC) respectfully submits the following reply comments in response to the Federal Communications Commission's (FCC/Commission) Further Notice of Proposed Rulemaking (FNPRM) released August 31, 1994, in the above captioned proceedings.

I. BACKGROUND

The FCC has proposed specific amendments to its regulations governing interstate pay-per-call and similar information services to curtail certain abuses that have persisted in the pay-per-call industry. The Commission intends to provide subscribers with greater protection from fraudulent and deceptive practices associated with the use of 800 numbers. The Commission proposes that: (1) 800 numbers may not be used to connect callers to any information service that is not provided under a presubscription or comparable arrangement; (2) presubscription arrangements must be established only with a legally competent individual and executed in writing, unless charges are authorized to a credit or charge

card generally accepted for the purchase of consumer good, entertainment, travel and lodging; (3) common carriers may not bill for presubscription information services without evidence of a written agreement and must address the bill to the individual who entered into the agreement, not to the person or company whose telephone was used to place the call; (4) charges for presubscribed information services must be separated on the bill from other telecommunications services.

The APSC applauds the FCC for its continuing efforts to protect consumers from the fraudulent and abusive practices associated with information services. The proposed amendments will remedy an apparent loophole in the pay-per-call regulations that unscrupulous providers have used to circumvent the underlying purpose of both the TDDRA and the Commissions rules. The proposed rules will help to reinstate the integrity of 800 number services.

## II. COMMENTS

The APSC, after reviewing the FNPRM and the numerous comments filed in this proceeding, is even more concerned about the problem of fraudulent and abusive use of information services and the regulators' ability to control it. The APSC shares the FCC's concern and frustration in trying to protect unsuspecting consumers from unscrupulous providers who manage to find some way to squeeze between the confines of the rules to engage in fraudulent and abusive practices. The Consumers Affairs division of the APSC, like the FCC, has received numerous complaints about being billed for

charges for information services provided over 800 numbers when the subscriber never knowingly entered into a presubscription arrangement with the provider. The division also recently began receiving complaints from subscribers about billings for international calls for information services.

The APSC agrees with the FCC and other parties that the integrity of 800 numbers must be preserved. The public, through years of use, has come to expect 800 number calls to be toll free. This service has been beneficial and widely used. We agree with BellSouth that there is no compelling argument for permitting use of 800 numbers in the delivery of information services.<sup>1</sup> The APSC joins with BellSouth in urging the Commission to consider sponsorship of legislation to provide for the complete prohibition on employment of 800 numbers in information service delivery.

Southwestern Bell Telephone Company points out extremely well in their filed comments and attachments that some information providers have and will shift their programs from the 800 services to other dialing plans or arrangements to avoid the safeguards the FCC seeks to implement. We agree with Southwestern Bell's proposal that the Commission amends its rules to require written presubscription agreements for information services provided pursuant to all interstate/international dialing plans.<sup>2</sup>

Both BellSouth and Southwestern Bell address an additional

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<sup>1</sup> BellSouth Comments pg.7

<sup>2</sup> Southwestern Bell Telephone Company Comments pg. 2

practice used by some information providers to evade the letter and spirit of the TDDRA and Commission rules by using a tariff rate that actually includes a charge for the information service. We agree with both parties that this loophole also must be addressed. Information providers should be prohibited from receiving any compensation for services delivered under these tariff arrangements. We also agree with Southwestern Bell that the Commission must define information services broadly to protect consumers from unscrupulous providers' efforts to avoid regulation by being compensated through the collection of rates contained in filed tariffs.

### III. CONCLUSION

The APSC applauds the FCC in its efforts and heartily supports the proposed rule changes to maintain the integrity of 800 numbers and address the deceptive and fraudulent practices that continue to plague the information services industry. While these rule changes will have some remedial effect on the problems, it appears from the filed comments there are additional measures that must be taken. Other dialing patterns and schemes have already been identified that are being used by these unscrupulous providers. These avenues must also be closed. The rules adopted in this proceeding should be extended to the use of all dialing patterns for interstate or international information services not just 800 numbers. The exemption for information services provided at a tariffed charge should be eliminated. The APSC urges the FCC to consider these

additional measures to provide even stronger barriers to the activities of unscrupulous information providers.

Respectfully submitted

ALABAMA PUBLIC SERVICE COMMISSION

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October 27, 1994